

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

February 6, 2004

IN RE:

**PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY**

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**DOCKET NO.
03-00286**

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC.
TO AMEND ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

This matter came before Chairman Deborah Taylor Tate, Director Sara Kyle and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 21, 2003 to consider the Petition (the "Petition") of On-Site Systems, Inc ("On-Site" or the "Company") to amend its Certificate of Public Convenience and Necessity ("CCN") to expand its service area to include an area known as Tims Ford in Franklin County, Tennessee

Legal Standard for Granting CCN

No public utility is permitted to begin construction or operation of a new utility facility or service before obtaining the approval of the TRA. The procedure for obtaining such approval is outlined in Tenn. Code Ann § 65-4-201(a), which reads in pertinent part as follows.

No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction, establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator

thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate

Background

On April 6, 1994, On-Site received a CCN in Docket No. 93-09040 from the Tennessee Public Service Commission to provide wastewater service to the Oakwood Subdivision in Maury County. Since that time, through various other dockets, On-Site has been granted approval to expand its service territory to include other areas in Tennessee.

Petition to Amend CCN

On April 16, 2003, On-Site filed its Petition to amend its CCN to expand its service area to include Tims Ford. A map showing the area to which On-Site proposes to extend service is attached to its Petition. On-Site filed a rate schedule with its Petition in this docket which states that residential rates for Tims Ford will be as follows:

Total monthly charge	\$35.11 ¹
Non-payment fee	5% of monthly charge
Disconnection fee	\$10
Reconnection fee	\$15
Returned check fee	\$20
Access fee	\$84/year

This rate schedule comports with the rate schedule for On-Site approved by the TRA in Docket No. 99-00393.

In its Petition, On-Site contends that neither Franklin County nor Center Grove-Winchester Springs Utility District have the desire or ability to provide wastewater service to Tims Ford. In support of this contention, On-Site submitted a letter dated April 4, 2003 from Monty Adams, Franklin County Executive, stating that Franklin County does not provide sewer service and has no plans to provide sewer service to the Tims Ford area. On-Site also submitted

¹ In those instances where Lagoon Treatment is used the charge is \$30.98 per month

a May 16, 2003 letter from David N. Stafford, Manager of the Center Grove-Winchester Springs Utility District, stating that the Utility District provides potable drinking water only and has no plans to offer sewer service in Tims Ford area.

October 21, 2003 Authority Conference

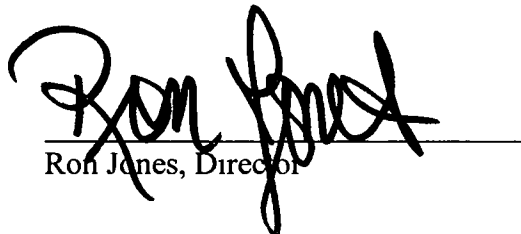
The Directors of this voting panel considered On-Site's Petition at the regularly scheduled Authority Conference held on October 21, 2003. During the Conference the voting panel requested that the Company work with the staff of the Energy and Water Division of the TRA to provide additional information to the Authority related to the Company's substantial growth and continued service to Tennessee Consumers. The Company agreed to the request to provide additional information. The panel voted unanimously to approve the Petition.

IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc. to amend its Certificate of Public Convenience and Necessity to expand its service area to include an area known as Tims Ford in Franklin County, Tennessee, as shown in the map attached to the Petition, is approved
2. On-Site's rates for wastewater service to Tims Ford shall be as listed in the rate schedule filed with On-Site's Petition and as set forth in this Order


Deborah Taylor Tate, Chairman


Sara Kyle, Director


Ron Jones, Director